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TufAmerica, Inc.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

KIM SHELBY, an individual,

Plaintiff,

vs.

TUFAMERICA, INC., a New York
Corporation; and DOES 1 through 10,

Defendants.

CASE NO. CV15-5073 MMM (JEMx)

THIRD PARTY COMPLAINT OF
TUFAMERICA, INC. FOR

- (1) EQUITABLE INDEMNITY
- (2) DECLARATORY RELIEF

TUFAMERICA, INC., a New York
corporation,

Third-Party Plaintiff,

v.

AMAZON.COM, INC., a Delaware
corporation, and ON-DEMAND
PUBLISHING LLC, a Delaware limited
liability company,

Third-Party Defendants

1 Defendant and Third-Party Plaintiff TufAmerica, Inc. (“TufAmerica”),
2 by and through its undersigned attorneys, for its Third Party Complaint against Third-
3 Party Defendants Amazon.com, Inc. (“Amazon”) and On-Demand Publishing LLC
4 (“On-Demand”) (collectively, “Third-Party Defendants”), hereby alleges as follows:

5 1. Plaintiff Kim Shelby (“Shelby”) has filed a complaint against
6 TufAmerica, a copy of which is attached hereto as Exhibit A (the “Shelby
7 Complaint”). The Shelby Complaint includes claims of copyright infringement and
8 misappropriation of likeness against TufAmerica.

9 **VENUE AND JURISDICTION**

10 2. This Court has federal question jurisdiction over the Shelby
11 Complaint’s copyright infringement claim, and supplemental jurisdiction over its
12 misappropriation of likeness claim.

13 3. The claims asserted in this Third-Party Complaint arise out of the
14 same facts and circumstances as those set forth in the Shelby Complaint, so that this
15 Court may exercise supplemental jurisdiction over it under 28 U.S.C. § 1367(a).

16 4. Venue is proper under 28 U.S.C. § 1391(b) and 1400(a), in that
17 this judicial district is one in which a substantial part of the acts and omissions giving
18 rise to the claims occurred.

19 5. This Third-Party Complaint is properly brought under Rule 14(a)
20 of the Federal Rules of Civil Procedure.

21 **PARTIES**

22 6. Third-Party Plaintiff TufAmerica, Inc. is a New York corporation
23 with a place of business at 246 West 38th Street, 5th Floor, New York, New York.

24 7. Upon information and belief, Third-Party Defendant Amazon.com
25 Inc. is a Delaware corporation having a place of business at 410 Terry Avenue North,
26 Seattle, Washington 98109.

27 8. Upon information and belief, Third-Party Defendant On-Demand
28 Publishing LLC is a Delaware limited liability company having a place of business at

1 100 Enterprise Way, Suite A200, Scotts Valley, California 95066, and is a subsidiary
2 of third-party defendant Amazon.

3 **FACTS COMMON TO ALL COUNTS**

4 9. TufAmerica is the owner of the Tuff City Music Group, which was
5 founded in 1981 as a rap and hip-hop label. Since then, TufAmerica has moved into
6 other musical genres, including blues, soul, funk, and R&B, acquiring the rights to
7 thousands of musical recordings and compositions.

8 10. TufAmerica has released many of its acquired recordings under a
9 number of different label marks, one of which is its TUFF CITY label mark, which is
10 used primarily for original hip hop recordings.

11 11. TufAmerica is the owner of the TUFF CITY mark, and has used
12 the mark on and in connection with compact discs and LP vinyl albums manufactured
13 and sold by TufAmerica for many years. TufAmerica strictly controls the quality and
14 selection of the musical recordings it releases under the TUFF CITY mark, which has
15 acquired secondary meaning in the minds of consumers by virtue of TufAmerica's
16 long use of the mark on and in connection with the hip hop music released by
17 TufAmerica under the mark. TufAmerica maintains strict quality control over the
18 music that is selected and released under the of the TufAmerica TUFF CITY mark,
19 and has invested substantial time and money in promoting recordings released under
20 the TUFF CITY mark. Compact discs and LP vinyl albums bearing the TufAmerica
21 TUFF CITY mark have been offered for sale and sold throughout the United States as
22 well as in numerous foreign countries.

23 12. TufAmerica distributes many of the albums and recordings it
24 controls on compact discs and, increasingly, vinyl LPs. These include reissues of
25 existing albums as well as new compilation albums that are personally curated by
26 TufAmerica's CEO. In addition, TufAmerica also actively licenses the recordings and
27 compositions it controls for use in commercials, television shows, and films.

28 ////

1 **The Limited TufAmerica License**

2 13. In September, 2006, TufAmerica entered into a limited license
3 with a company known as Digital Music Group, Inc. (“Digital”) that permitted Digital
4 to market a large number of musical tracks, but only in certain limited ways (the
5 “TufAmerica License”). TufAmerica delivered thousands of musical recordings to
6 Digital under the TufAmerica License.

7 14. The TufAmerica License specified in detail the rights that
8 TufAmerica was and, more importantly for this lawsuit, was not licensing to Digital.
9 In particular, the TufAmerica License limited Digital’s use of the licensed recordings
10 to electronic transmissions or mobile-phone ringtones. In other words, the
11 TufAmerica License limited Digital’s rights to digital downloads of the songs (for
12 example, by way of a service such as iTunes), and to digital downloads of ringtones
13 (for example, by way of a mobile phone operator such as Verizon Wireless).

14 15. The TufAmerica License also granted limited rights to Digital to
15 use certain TufAmerica trademarks, including the TUFF CITY mark. Digital could
16 only use these marks, however, “in connection with the advertising, marketing and
17 promotion of the Masters, the Option Masters, if any, and [Digital’s] services, as set
18 forth in this Agreement.”

19 16. The TufAmerica License was not under any circumstances a broad
20 license of all of TufAmerica’s rights in and to the underlying musical recordings.
21 There were a number of rights that the TufAmerica License specifically did not grant
22 to Digital. In particular, TufAmerica reserved for itself “[t]he right to license the
23 Masters or Option Masters in connection with the so-called brick and mortar
24 ‘manufacture on demand’ of phonorecords (even if the Masters are delivered to the
25 manufacture on demand via Electronic Transmission prior to the embodiment in a
26 phonorecord).”

27 ////

28 ////

1 17. In late 2007, Digital merged with The Orchard Enterprises, Inc.
2 (“Orchard”), and Orchard assumed Digital’s obligations under the TufAmerica
3 License.

4 18. In late 2011, TufAmerica and Orchard mutually agreed to
5 terminate the TufAmerica License.

6 **Amazon and On-Demand Conspire to Manufacture**
7 **and Sell the Recording at Issue in This Action**

8 19. Upon information and belief Amazon and On-Demand have
9 conspired to offer for sale, manufacture, and sell a “manufacture on demand” compact
10 disc titled “I’m Glad About It: Classic Gospel Tracks” by the artist known as Kim
11 Shelby (the “Shelby CD”), which they have wrongly attributed to TufAmerica’s
12 TUFF CITY label.

13 20. Upon information and belief, the Shelby CD was offered for sale
14 through Amazon’s website at www.amazon.com. A listing page for the Shelby CD is
15 displayed at paragraph 10, page 4 of the Shelby Complaint.

16 21. TufAmerica has never marketed any products that include any of
17 the songs listed on the Shelby CD, and in particular has never marketed the Shelby
18 CD.

19 22. Upon information and belief, Orchard supplied the recordings
20 included on the Shelby CD to Amazon and/or On-Demand, On-Demand fabricated the
21 Shelby CD on a “to order” basis, and Amazon marketed and sold the Shelby CD to the
22 public – all while attributing the Shelby CD to TufAmerica’s TUFF CITY label. This
23 was despite the fact that Amazon and On-Demand had no right to do so.

24 23. As a direct consequence of the wrongful conduct of Third-Party
25 Defendants, TufAmerica has been sued by Shelby for copyright infringement and
26 misappropriation of likeness.

27 ////

28 ////

FIRST CLAIM FOR RELIEF

(Equitable Indemnity)

Against All Third-Party Defendants

24. TufAmerica hereby realleges its allegations in paragraph 1 through paragraph 23, inclusive, as if set forth in full.

25. The Shelby Complaint alleges that Shelby “is a gospel singer who owns original songs including but not limited to songs titled ‘We as One,’ ‘I’m Glad About It,’ ‘I’ll do Anything,’ ‘Live for Christ,’ ‘Anointing,’ and ‘Oh Yes You Do’ (collectively ‘Subject Songs’) that have been registered with the United States Copyright Office prior to the acts of infringement alleged herein under registration numbers: SRu 212-173, SRu 215-589, and SRu 218-666.”

26. The Shelby Complaint also alleges that TufAmerica “distributed and/or sold music albums (‘Subject Product’) including songs that are substantially similar, if not identical, to the Subject Songs without Plaintiff’s authorization, including but not limited to an album sold by Amazon under ASIN B004LP1UP4 titled ‘I’m Glad About It: Classic Gospel Tracks by Kim Shelby,’ with the record label for that album listed as TUFAMERICA.”

27. As set forth in its Answer to the Shelby Complaint, TufAmerica denies the actionable allegations in the Shelby complaint, and further denies that it is responsible or liable for any costs and damages, or that it is in any way subject to any of the relief requested in the Shelby Complaint.

28. However, should TufAmerica be found liable for any injury and/or damages arising from the allegations in the Shelby Complaint, the Third-Party Defendants are each at fault, in whole or in part, for any such injury and/or damages as alleged co-conspirators and/or joint tortfeasors with TufAmerica.

29. By reason of the above the Third-Party Defendants are each partially or fully responsible for any and all claims, losses, damages, attorneys’ fees, or costs that TufAmerica is required to pay as a result of the facts and circumstances

1 raised in the Shelby Complaint, and TufAmerica is entitled to equitable
 2 indemnification in full or in part from each of the Third-Party Defendants for any and
 3 all claims, losses, damages, attorneys' fees, or costs that TufAmerica is required to
 4 pay as a result of the facts and circumstances raised in the Shelby Complaint.

5 **SECOND CLAIM FOR RELIEF**

6 **(Declaratory Relief)**

7 **Against All Third-Party Defendants**

8 30. TufAmerica hereby realleges its allegations in paragraph 1 through
 9 paragraph 29, inclusive, as if set forth in full.

10 31. An actual controversy exists between the Third-Party Defendants
 11 and TufAmerica, in that TufAmerica contends that, if required to pay any claims,
 12 losses, damages, attorneys' fees, or costs as a result of the facts and circumstances
 13 raised in the Shelby Complaint, each of the Third-Party Defendants are joint
 14 tortfeasors and must indemnify TufAmerica for any such amounts, in whole or in part.

15 32. Without a judicial declaration setting forth the parties' respective
 16 rights and obligations concerning the dispute set forth herein, further legal actions
 17 may result. TufAmerica thus requests a determination of the obligations of each of
 18 the Third Party Defendants to indemnify TufAmerica for any and all claims, losses,
 19 damages, attorneys' fees, or costs that TufAmerica is required to pay as a result of the
 20 facts and circumstances raised in the Shelby complaint.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, Third-Party Plaintiff TufAmerica, Inc. respectfully prays
 23 for relief against Third-Party Defendants Amazon.com, Inc. and On-Demand
 24 Publishing LLC as follows:

25 1. That this Court enter judgment that the Third-Party Defendants
 26 indemnify TufAmerica, jointly and severally, for all or part of any and all claims,
 27 losses, damages, attorneys' fees or costs that TufAmerica may be required to pay as a
 28 result of the facts and circumstances raised in the Shelby Complaint;

1 2. That this Court make a declaration as to the same and consistent
2 with the allegations in this Third-Party Complaint;

3 3. That this Court award costs of suit herein;

4 4. That this Court award to TufAmerica its reasonable attorneys'
5 fees; and

6 5. That this Court grant such other and further relief as the Court may
7 deem just and proper.

8 DATED: November 2, 2015

THE TALCOTT LAW FIRM, P.C.
KELLY D. TALCOTT

9
10 **THE AVANZADO LAW FIRM**

11 MELVIN N.A. AVANZADO
12 ELAINE W. YU

13 By: 

14 Melvin N.A. Avanzado

15 Attorneys for Defendant and Third-Party
16 Plaintiff TufAmerica, Inc.

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EXHIBIT A

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

KIM SHELBY, an individual,

Plaintiff,

v.

TUFAMERICA, INC., a New York
Corporation; and DOES 1 through 10,

Defendants.

Case No.:

PLAINTIFF'S COMPLAINT FOR

1. COPYRIGHT
INFRINGEMENT
2. MISAPPROPRIATION OF
LIKENESS

Jury Trial Demanded

Kim Shelby, by and through its undersigned attorneys, hereby prays to this
honorable Court for relief based on the following:

JURISDICTION AND VENUE

1. This action arises under the Copyright Act of 1976, Title 17 U.S.C., § 101
et seq.
2. This Court has federal question jurisdiction under 28 U.S.C. § 1331 and
1338 (a) and (b).

1 circumstances, including, but not limited to, full knowledge of each violation of
2 Plaintiff's rights and the damages to Plaintiff proximately caused thereby.

3 **CLAIMS FOR RELIEF**

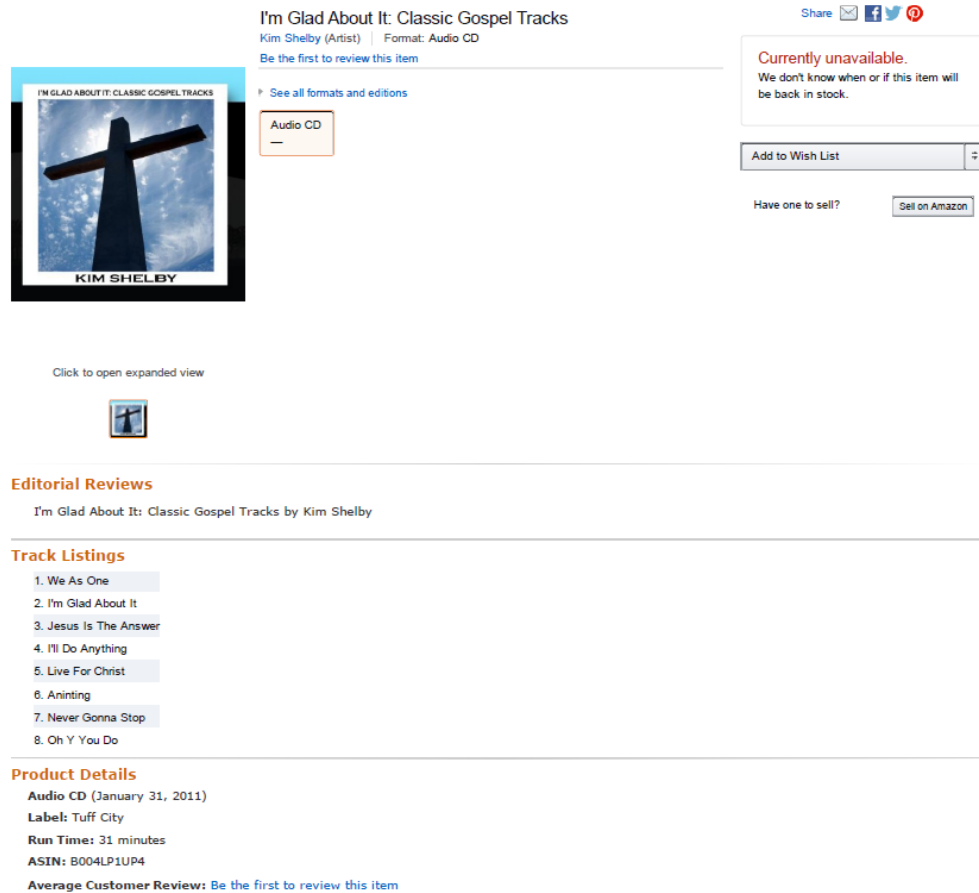
4 9. Plaintiff is a gospel singer who owns original songs including but not
5 limited to songs titled "We as One," "I'm Glad About It," "I'll do Anything," "Live
6 for Christ," "Anointing," and "Oh Yes You Do" (collectively "Subject Songs") that
7 have been registered with the United States Copyright Office prior to the acts of
8 infringement alleged herein under registration numbers: SRu 212-173, SRu 215-589,
9 and SRu 218-666.

10 10. Plaintiff is informed and believes and thereon alleges that TUFAMERICA,
11 DOE Defendants, and each of them distributed and/or sold music albums ("Subject
12 Product") including songs that are substantially similar, if not identical, to the
13 Subject Songs without Plaintiff's authorization, including but not limited to an
14 album sold by Amazon under ASIN B004LP1UP4 titled "I'm Glad About It: Classic
15 Gospel Tracks by Kim Shelby," with the record label for that album listed as
16 TUFAMERICA. A screen capture of this album is included below:

17
18
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25 ///

Subject Product



11. Plaintiff is informed and believes and thereon alleges that TUFAMERICA, DOE Defendants, and each of them distributed and/or sold unauthorized albums bearing her name and including the Subject Songs.

FIRST CLAIM

(For Copyright Infringement - Against All Defendants, and Each)

12. Plaintiff repeats, realleges and incorporates herein by reference as though fully set forth the allegations contained in the preceding paragraphs of this Complaint.

13. Plaintiff is informed and believes and thereon alleges that one or more of the Defendants manufactures albums and/or is a record label.

1 14. Plaintiff is further informed and believes and thereon alleges that said
2 Defendants, and each of them, have an ongoing business relationship with Defendant
3 retailers, and each of them, and supplied infringing products to said retailers, which
4 albums infringed the Subject Songs in that said albums were comprised of
5 unauthorized reproductions of the Subject Songs.

6 15. Plaintiff is informed and believes and thereon alleges that Defendants, and
7 each of them, infringed Plaintiff's copyright by creating, making and/or developing
8 directly infringing and/or derivative works from the Subject Songs and by
9 producing, distributing and/or selling Subject Products through a nationwide
10 network of retail stores, catalogues, and websites.

11 16. Due to Defendants', and each of their, acts of infringement, Plaintiff has
12 suffered damages in an amount to be established at trial.

13 17. Due to Defendants', and each of their, acts of copyright infringement as
14 alleged herein, Defendants, and each of them, have obtained profits they would not
15 otherwise have realized but for their infringement of the Subject Songs. As such,
16 Plaintiff is entitled to disgorgement of Defendants', and each of their, profits
17 attributable to the infringement of the Subject Songs in an amount to be established
18 at trial.

19 18. Plaintiff is informed and believes and thereon alleges that Defendants, and
20 each of them, have committed copyright infringement with actual or constructive
21 knowledge of Plaintiff's rights such that said acts of copyright infringement were,
22 and continue to be, willful, intentional and malicious.

23 **SECOND CLAIM**

24 (For Misappropriation of Likeness - Against All Defendants, and Each)

25 19. Plaintiff repeats, realleges and incorporates herein by reference as though
26 fully set forth the allegations contained in the preceding paragraphs of this
27 Complaint.
28

1 20. Plaintiff is informed and believes and thereon alleges that Defendants have
2 and are using Plaintiff's name, identity, voice, likeness, and/or personal information
3 for commercial advantage without Plaintiff's consent.

4 21. Plaintiff is informed and believes and thereon alleges that Defendants have
5 and are appropriating Plaintiff's name, identity, voice, likeness, and/or personal
6 information for commercial advantage by selling Subject Products including, but not
7 limited to an album sold by Amazon under ASIN B004LP1UP4 titled "I'm Glad
8 About It: Classic Gospel Tracks by Kim Shelby," with the record label for that
9 album listed as TUFAMERICA.

10 22. Plaintiff has never granted her consent or authorization in any way to
11 Defendants for the use of her name, identity, voice, likeness, and/or personal
12 information.

13 23. Plaintiff is informed and believes and thereon alleges that Defendants'
14 misappropriation of her name, identity, likeness, and personal information has
15 resulted in injury to Plaintiff.

16 24. Plaintiff is entitled to compensatory and punitive damages due to
17 Defendants' willful appropriation of her name, identity, likeness, and voice.

18 **PRAYER FOR RELIEF**

19 Wherefore, Plaintiff prays for judgment as follows:

- 20 a. That Defendants—each of them—and their respective agents and
21 servants be enjoined from importing, manufacturing, distributing,
22 offering for sale, selling or otherwise trafficking in any product that
23 infringes Plaintiff's copyrights in the Subject Songs;
- 24 b. That Plaintiff be awarded all profits of Defendants, and each of them,
25 plus all losses of Plaintiff, the exact sum to be proven at the time of trial,
26 or, if elected before final judgment, statutory damages as available under
27 the Copyright Act, 17 U.S.C. § 101 et seq.;

- c. That Plaintiff be awarded its attorneys' fees as available under the Copyright Act U.S.C. § 101 et seq. and Cal. Civ. Code § 3344 (a);
- d. That Plaintiff be awarded damages in the amount of the greater of \$750.00 or the actual damages suffered by Plaintiff, in an amount to be determined at trial, as a result of the unauthorized use of Plaintiff's name and likeness as available under Cal. Civ. Code § 3344 (a).
- e. That Plaintiff be awarded punitive damages as available under Cal. Civ. Code § 3344 (a);
- f. That Plaintiff be awarded pre-judgment interest as allowed by law;
- g. That Plaintiff be awarded the costs of this action; and
- h. That Plaintiff be awarded such further legal and equitable relief as the Court deems proper.

Plaintiff demands a jury trial on all issues so triable pursuant to Fed. R. Civ. P. 38 and the 7th Amendment to the United States Constitution.

Dated: July 6, 2015

DONIGER/BURROUGHS

By: /s/ Stephen M. Doniger
Stephen M. Doniger, Esq.
Frank Gregory Casella, Esq.
Attorneys for Plaintiff